

Department of Health & Human Services
Centers for Medicare & Medicaid Services
61 Forsyth St., Suite 4T20
Atlanta, Georgia 30303-8909



April 18, 2011

Craigan Gray, M.D., M.B.A., J.D.
Director
Division of Medical Assistance
North Carolina Department of Health and Human Services
2501 Mail Service Center
Raleigh, North Carolina 27699-2501

Attention: Teresa Smith

RE: North Carolina Title XIX State Plan Amendment, Transmittal # NC10-031

Dear Dr. Gray:

We have reviewed the proposed amendment to the North Carolina Medicaid State Plan Amendment (SPA) NC 10-031 that was received in the Regional Office on October 25, 2010. The amendment was submitted as a result of a change to the State Law that discontinued the Personal Care Service (PCS) and Personal Care Service Plus (PCS-Plus) and established two new In-Home Personal Care Services (PCS), one for adults and one for children. It also establishes new eligibility criteria for receipt of In-Home PCS. Both coverage and reimbursement of these PCS for individuals living in a private residence, as well as PCS furnished in an Adult Care Home, Family Care Home, or a Supervised Living Home will cease on February 29, 2012 when the State intends to cover all PCS under the authority of section 1915(i) of the Social Security Act.

The State has indicated its intent to move the coverage of PCS to Section 1915(i) of the Social Security Act. Under 1915(i), Home and Community Based Service (HCBS) as a State Plan Option, the State must ensure that all services are provided in a setting that is home and community based in nature, and meet all other requirements for that authority.

CMS further reminds the State that Federal Financial Participation (FFP) under any Medicaid authority is not available for services to individuals residing in institutions for mental disease (IMDs).

The financial page review reflects the changes to the payment methodology for Section 23) In Home Care Services A) Provided as Community Based Services located at 4.19B, Section 23, Page 6 and the removal of the supplemental adjustments noted at 4.19B, Supplement 1, Page 1B.

The approval of this State Plan Amendment relates solely to the availability of FFP for Medicaid covered services. This action does not in any way address the State's independent obligations under the Americans with Disabilities Act or the Supreme Court's Olmstead decision.

Furthermore, the State has assured CMS that each PCS and PCS-Plus recipient who is determined not to qualify for the new In-Home PCS, or for whom there is a reduction in service, will receive a due process notice that explains the reason(s) and informs the recipient of appeal rights and procedures for appealing the adverse decision. These recipients will be entitled to a hearing and maintenance of services throughout the pendency of the appeal.

Based on the information provided, we are now ready to approve the Medicaid State Plan Amendment NC 10-031. This SPA was approved on April 15, 2011. The effective date of this amendment is January 1, 2011. We are enclosing the approved form HCFA-179 and plan pages.

If you have any questions or need any further assistance, please contact Elaine Elmore at (404) 562-7408 or Yvette Moore at (404) 562-7327.

Sincerely,

/s/

Jackie Glaze
Associate Regional Administrator
Division of Medicaid & Children's Health Operations

Enclosures